

# TOGO

**Table 1**

	2021
Population, million	8.5
GDP, current US\$ billion	8.4
GDP per capita, current US\$	992.4
International poverty rate (\$2.15) <sup>a</sup>	28.1
Lower middle-income poverty rate (\$3.65) <sup>a</sup>	56.8
Upper middle-income poverty rate (\$6.85) <sup>a</sup>	84.0
Gini index <sup>a</sup>	42.4
School enrollment, primary (% gross) <sup>b</sup>	126.3
Life expectancy at birth, years <sup>b</sup>	61.3
Total GHG emissions (mtCO2e)	9.4

Source: WDI, Macro Poverty Outlook, and official data.  
 a/ Most recent value (2018), 2017 PPPs.  
 b/ Most recent WDI value (2020).

*Disruptions associated with the conflict in Ukraine, with rising inflation, slowing external demand and tightening financing conditions, are expected to result in growth moderating to 4.8 percent in 2022, before recovering to a weaker-than-expected 5.6 percent in 2023 as the impact of these shocks gradually wane. The poverty rate is projected to decline modestly in 2022, and more significantly in 2023, as food price inflation moderates and agriculture production strengthens.*

## Key conditions and challenges

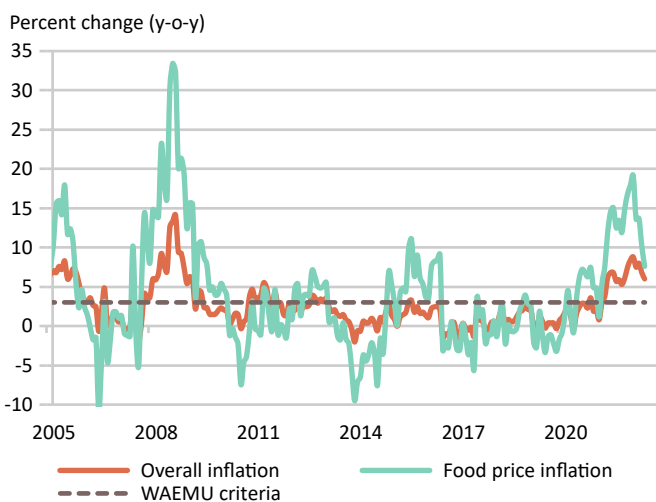
Togo was able to maintain relatively robust growth in recent years, but fiscal space has declined after stimulus measures since the onset of the COVID crisis. A successful period of fiscal consolidation prior to the global pandemic lowered public debt to 52.4 percent of GDP in 2019, from 60.1 percent in 2016, while a reform-induced pickup in private investment helped maintain real GDP growth at an average of 5.1 percent (2.5 percent in per capita terms) over that period. Since 2020, a sharp increase in public spending helped cushion the COVID-related slowdown and contributed to the recovery in 2021, but raised public debt to a 15-year high of 63.6 percent of GDP. The extreme poverty rate (percent of the population living below the new international poverty line of US\$2.15 per capita per day, 2017 PPP) is estimated to have dropped to 26.6 percent in 2021, about 0.8 percentage points below pre-pandemic levels. The fallout from the conflict in Ukraine, slowing external demand and rising inflation are expected to restrain growth in 2022, while tighter financing conditions combined with higher-than-expected budget deficits hasten the need for fiscal consolidation. The outlook is subject to significant global risks, including escalating geopolitical tensions, recessions among

major trading partners, and financial market turmoil which could impact Togo through volatile commodity prices, decelerating export demand, and debt refinancing pressures. At the regional and domestic level, persistent low precipitation and a greater frequency of extreme weather events could intensify food insecurity and exacerbate regional instability and social strife. These challenges will require reforms aimed at accelerating structural transformation and job creation, increasing resilience to shocks, and restoring fiscal space.

## Recent developments

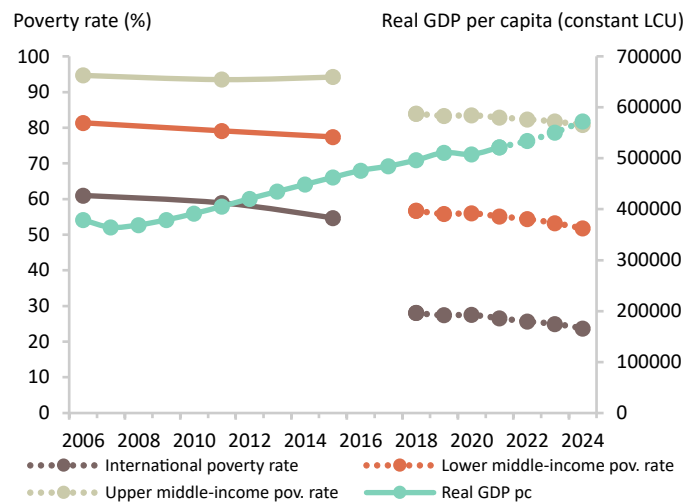
Following a robust recovery in 2021, growth lost momentum in the first half of 2022. Whereas the recovery in 2021 was largely driven by a rebound in manufacturing activity, amid booming external demand, activity deteriorated significantly in 2022, with industrial production expanding by only 0.9 percent year-on-year in May 2022, down from 10.6 percent in December 2021. This slowdown reflected weakening demand from major trading partners, global supply chain disruptions, and a significant rise in energy prices adversely affecting both supply and demand conditions. The agriculture sector also faced challenges in 2022, as reduced rainfall and rising fertilizer and energy prices contributed to slowing production and higher food prices.

**FIGURE 1 Togo / Inflation**



Source: Central Bank of West African States (BCEAO).

**FIGURE 2 Togo / Actual and projected poverty rates and real GDP per capita**



Source: World Bank. Notes: see Table 2.

Rural populations who disproportionately rely on agriculture for own food consumption and income are at a greater risk of falling into poverty due to recent shocks, but real income in the agriculture sector is still expected to slightly outpace rural population growth this year. Weakening external demand and rising import prices for crude oil, wheat, and rice have contributed to a growing trade deficit in the first half of 2022, but this was partially offset by a sharp uptick in the price of phosphate and cotton boosting export revenues.

Togo's inflation rate was significantly above expectations in the first half of 2022 but appears to have peaked at 8.8 percent in March, hovering around 7 percent since then. While domestic food prices have been the most important driver of inflationary pressures, the rising cost of imported goods played an increasing role during the first semester of 2022. External price pressures are expected to taper off towards the end of the year as global

commodity prices have started to re-trench, but second-round effects on domestic value chains are expected maintain headline inflation above 6 percent throughout 2022. To alleviate adverse effects on the population, the government has implemented significant fiscal support measures, including large subsidies for fertilizers and fuel prices, higher public sector wages and pensions, and grants for education and transport expenses, which are expected to contribute to the budget deficit increasing to 6.4 percent of GDP in 2022, up from 4.8 percent in 2021.

Monetary and exchange rate policies are managed by the Central Bank of West African States (BCEAO). Its reserves declined to 5.2 months of imports in June 2022, from 5.5 months in 2021, due to higher energy and food import bills caused by the Ukraine crisis. To counter inflation pressures, the BCEAO raised rates for liquidity calls (2 percent to 2.5 percent) and the marginal lending window (4 percent to 4.5 percent) in June and September 2022.

## Outlook

Growth is projected to pick up in 2023, but at a slower pace than previously expected, while inflation and budget deficit projections were revised up. Following a temporary dip to 4.8 percent in 2022, growth is projected to reach 5.6 in 2023, about 0.2 percentage points below previous expectations. The growth pickup in 2023 will be driven by public investment, notably associated with the extension of the rural road network and the rehabilitation of the Lomé-Kpalimé and Lomé-Aného roads, the unwinding of international supply chain disruptions and declining energy and food prices. However, the recovery will be constrained by persistent inflationary pressures, tighter financing conditions and slowing external demand.

The trade and current account deficit will remain elevated, at respectively 12.3 percent of GDP and 4.6 percent of GDP in 2023, despite terms of trade improving amid lower international energy prices.

**TABLE 2 Togo / Macro poverty outlook indicators**

(annual percent change unless indicated otherwise)

	2019	2020	2021	2022e	2023f	2024f
<b>Real GDP growth, at constant market prices</b>	5.5	1.8	5.3	4.8	5.6	6.4
Private Consumption	2.7	-0.5	5.3	4.0	5.6	6.3
Government Consumption	-2.9	2.0	6.4	4.4	1.7	0.7
Gross Fixed Capital Investment	20.4	15.0	8.9	10.1	8.7	9.1
Exports, Goods and Services	2.1	-4.7	12.0	4.3	5.7	6.6
Imports, Goods and Services	1.4	0.8	13.8	5.9	6.3	6.3
<b>Real GDP growth, at constant factor prices</b>	4.4	2.0	5.1	4.8	5.6	6.4
Agriculture	1.9	1.3	6.0	4.0	4.5	5.7
Industry	6.5	5.3	6.8	3.8	5.4	7.5
Services	4.5	0.9	4.0	5.6	6.1	6.2
<b>Inflation (Consumer Price Index)</b>	0.7	1.8	4.5	7.1	4.7	2.9
<b>Current Account Balance (% of GDP)</b>	-0.8	-0.3	-1.3	-4.9	-4.5	-3.7
<b>Net Foreign Direct Investment Inflow (% of GDP)</b>	4.2	0.7	-1.1	0.5	0.6	0.6
<b>Fiscal Balance (% of GDP)</b>	-0.9	-6.9	-4.8	-6.4	-5.8	-3.9
<b>Debt (% of GDP)</b>	52.4	60.4	63.6	63.4	62.9	61.5
<b>Primary Balance (% of GDP)</b>	1.2	-4.6	-2.3	-4.0	-3.2	-1.4
<b>International poverty rate (\$2.15 in 2017 PPP)<sup>a,b</sup></b>	27.4	27.5	26.6	25.7	25.0	23.7
<b>Lower middle-income poverty rate (\$3.65 in 2017 PPP)<sup>a,b</sup></b>	55.8	56.0	55.1	54.4	53.3	51.8
<b>Upper middle-income poverty rate (\$6.85 in 2017 PPP)<sup>a,b</sup></b>	83.3	83.5	82.9	82.4	81.7	80.8
<b>GHG emissions growth (mtCO<sub>2</sub>e)</b>	3.3	2.9	4.9	3.1	2.3	4.2
<b>Energy related GHG emissions (% of total)</b>	23.2	22.9	23.3	22.3	21.4	21.0

Source: World Bank, Poverty & Equity and Macroeconomics, Trade & Investment Global Practices. Emissions data sourced from CAIT and OECD.

Notes: e = estimate, f = forecast. Poverty lines are expressed in 2017 PPP, resulting in changes from earlier editions that used 2011 PPP. See [pip.worldbank.org](http://pip.worldbank.org).

a/ Calculations based on 2018-EHCVM. Actual data: 2018. Nowcast: 2019-2021. Forecasts are from 2022 to 2024.

b/ Projection using neutral distribution (2018) with pass-through = 0.7 (Low (0.7)) based on GDP per capita in constant LCU.